

Testimony to Committee on Families and Children's Services
326 House Office Building
October 24, 2007

Jane Marshall

Speaking on behalf of the Michigan Food Policy Council - HB4923

Good Morning. My name is Jane Marshall and I am Executive Director of the Food Bank Council of Michigan. I also serve on the Michigan Food Policy Council, which was created through executive order by Governor Granholm in June of 2005.

We appreciate the efforts of the legislature and this committee to assist low-income families in managing their food budget. I am here to provide the perspective of the MFPC, who has already reviewed this issue and provided recommendations to the Governor.

In the recommendations provided about access to fresh and healthy food, and food related businesses and jobs, the issue of food stamp issuance was a priority. We recognized the importance of the food stamp program not just for the families that use food assistance, but also to Michigan's food and grocery industry. This program provides over a billion dollars in food sales for Michigan retailers and it needs to be beneficial to the business of selling food. For that reason, the MFPC voted to recommend that food stamp issuance be spread over the entire month, not just the first ten days of the month.

We determined that spreading these sales across the entire month would smooth our sales at the retail store and help stores be able to provide perishable, fresh foods because customers would not just be shopping in the first half of the month.

Though the Michigan Department of Human Services was initially opposed to changing the issuance of food stamps due to the cost of the technology change and the hardship it could cause the low-income person, MDHS willingly agreed earlier in the year to spread the issuance. This was also in compliance with USDA.

We feel that the client should have the choice about how to best utilize their food assistance dollar. Some folks may want to purchase in bulk to improve the buying power and some folks may have limited access to full service grocery stores and make just a few trips or have to car pool to the grocery store each month.

I worked as an inventory control and distribution manager for the Meijer, Inc retail distribution center in Lansing for seven years before I had this job with the food bank council. I know firsthand the fluctuations that occur with food sales and distribution, scheduling and labor costs. But it seems to me that avoiding these ups and downs by spreading the distribution volume over 30 days would be a much more efficient solution for the retailer and distributor than to have twice monthly swings and sales.

If we have the technology and funding to make our food assistance program work better for our valuable grocery industry partners, it seems that increased volume over all days of the month would be smarter. This would also allow the food stamp customer to have the most flexibility and choice about their food purchases.

I would also suggest that there be some additional effort to get feedback from the individuals and families who need food assistance through this federal program. In order to meet their needs for better, healthier food, their suggestions of the customer should be considered.

Thanks for giving me the opportunity to share this point of view with the committee. I look forward to working with you in the future.

Additional copies of the Michigan Food Policy Council report of recommendations is available in full at <http://www.michigan.gov/mfpc>

Thank you

Jane Marshall
(517) 485-2102



Michigan Food Policy Council

Report of Recommendations

October 12, 2006

Prepared for Governor Jennifer M. Granholm

http://www.michigan.gov/mfpc

Council Members

June 2005 – September 2006

- Elaine Brown - Michigan Food and Farming Systems (MIFFS), appointed to represent the sustainable agriculture community.
- Jim Byrum - Michigan Agri-Business Association, appointed to represent Michigan agriculture organizations.
- Jean Chabut - Michigan Department of Community Health.*
- Janet Cushman – Michigan Department of Human Services.*
- Giancarlo Guzman - Racial & Ethnic Approaches to Community Health, appointed to represent public health organizations.
- Michael Hamm – Michigan State University, appointed to represent institutions of higher education.
- Jim Herbert - Neogen Corporation, appointed to represent non-food manufacturers.
- Mitch Irwin - Michigan Department of Agriculture (chairperson).*
- Mattie Jordan-Woods - Northside Association for Community Development, appointed to represent community-based urban development organizations.
- Cheryl Kobernik - North Star Organics, appointed to represent the sustainable agriculture community.
- Jane Marshall - Food Bank Council of Michigan, appointed to represent anti-hunger organizations.
- JoAnn Merrick – Michigan Department of Environmental Quality.*
- Justin Rashid - American Spoon Foods Inc., appointed to represent food processors.
- Daniel Reeves - Associated Food and Petroleum Dealers of Michigan, appointed to represent food retailers.
- Todd Regis - United Food & Commercial Workers, appointed to represent organized labor.
- Dennis West - Northern Initiatives, appointed to represent rural development organizations.
- Leland Wheaton - Charlotte High School, appointed to represent K-12 schools.
- Todd Wickstrom – The ORAI Group, appointed to represent restaurants.
- Carol Wolenberg – Michigan Department of Education.*
- Wayne Wood - Michigan Farm Bureau, appointed to represent Michigan agriculture organizations.
- Irma Zuckerberg – Michigan Department of Labor and Economic Growth.*

*Council members from state departments are ex-officio members and representatives of the Director of their department.

Recommendation A4: Pursue outreach and collaboration opportunities that support agri-food businesses and entrepreneurial efforts.

- a) The state should seek to enhance the working relationships between state departments that impact agriculture and agri-food businesses, increase information accessibility for interested publics, and create new partnerships for business and job growth.

While many of the recommendations have overlapping strategies and goals, Recommendation A5 is as much about access to fresh and healthy foods (described in Chapter 3) as it is about growing agri-food businesses and jobs. Many studies document the lack of supermarkets in poor and/or urban communities. The term “food desert” is used to describe an area without supermarkets or convenient access to fresh, nutritious and affordable food; some areas in Michigan and many neighborhoods in metropolitan Detroit are considered food deserts.

Grocery store development in underserved locations can create benefits on many levels, including: jobs; community economic development; improved selection, quality and price of food; and health benefits. A Kalamazoo neighborhood association spearheaded an effort to bring a Felpausch grocery store to the city’s north side creating thirty new full-time jobs for community residents. In Pennsylvania, a concerted effort to create inner-city grocery stores has lead to seven new stores and over 1,400 new jobs.

Federal food assistance clients receive their benefits electronically on a Michigan Bridge Card once at the beginning of each month. As a result, the majority of food stamp purchases occur within the first half of the month, making it difficult for food retailers in lower-income communities to maintain inventory and staff at consistent levels throughout the month. Issuing once-monthly benefits per client on a rolling basis throughout the month would reduce the current “boom and bust” food purchasing cycle and increase grocery store viability in lower-income communities.

Recommendation A5: Improve access to fresh and healthy foods by increasing the number of supermarkets and fresh food retail outlets that serve urban low-income populations.

- a) MEDC should support five communities in which to initiate urban grocery store development and/or revitalization in underserved communities and supply matching funds given availability and/or work with private foundations for financial support.
- b) DHS should explore issuing Food Assistance Program (food stamp) benefits across the calendar month, easing “boom and bust” redemption cycles in grocery stores.



- 2) MEDC and MDA should:
 - a) Formalize and regularly perform the update process for the Michigan Site Network (MISITENET) directory to include vacant food processing facilities information and photos.
- 3) MDA should:
 - a) Facilitate the development of an online toolkit of state resources and requirements for agri-food industry businesses (similar to the Cool Cities Resource Toolbox) to help search through the financial assistance, services, and permit/license requirements and incentives available from the state and federal governments.
- 4) MDA and DEQ should:
 - a) Cross train staff to increase the level of understanding of agri-food industry-specific compliance issues.
 - b) Coordinate discussions with MDA, MEDC, DEQ, food processing industry representatives, and other stakeholders regarding food-processing wastewater permitting issues. These discussions will open communication lines between parties and explore opportunities for both economic growth and environmental stewardship of the food processing industry.

Recommendation A5: Improve access to fresh and healthy foods by increasing the number of supermarkets and fresh food retail outlets that serve urban low-income populations.

- a) MEDC should support five communities in which to initiate urban grocery store development and/or revitalization in underserved communities and supply matching funds given availability and/or work with private foundations for financial support.
- b) DHS should explore issuing Food Assistance Program (food stamp) benefits across the calendar month, easing “boom and bust” redemption cycles in grocery stores.

Recommendation A5 Explanation:

Many studies document the lack of supermarkets in poor communities and communities of color. In some areas, wealthy communities have been shown to have over three times the number of supermarkets as lower-income communities. This lack of supermarkets is compounded by a lack of access to convenient and reliable transportation options for poor people looking to purchase fresh and nutritious foods. The term “food desert” is used to describe an area without supermarkets or convenient access to fresh, nutritious and affordable food. Low-income populations often pay more for food, since much of their food is purchased at corner convenience stores and liquor stores, which frequently charge 10% or more over supermarket prices. Also, the diets of lower-income people tend to be severely lacking in fresh and nutritious foods. Incidence of diet-related disease is increasing in these “food deserts.”

Grocery store development in underserved locations creates benefits on many levels, including: jobs; community economic development; improved selection, quality and price of food; and health benefits.

Additionally, federal food assistance clients receive their benefits (via electronic deposit of food stamp dollars onto their Michigan Bridge Card) once at the beginning of each month. This once monthly deposit results in the vast majority of food stamp purchases occurring within the first half of the month, making it difficult for food retailers in lower income communities to maintain inventory and staff at consistent levels throughout the month. There is widespread support in the food retail and labor community for a staggered distribution of benefits through the course of a month, which would more evenly spread food purchases over each month and increase grocery store viability in low-income communities.

Recommendation A5 Implementation Strategies:

- 1) MEDC should designate an "Urban Food Retail Development Specialist" to be a contact person for interested retail developers and communities seeking to develop grocery stores. This individual will be responsible for:
 - a) Identifying relevant federal, state and local funding opportunities and assisting with securing private financing.
 - b) Coordinating the five grocery initiatives, which should include investigating:
 - i) Unmet fresh food demand in target areas, relative spending power and income concentration, economic incentives currently available to supermarket developers, barriers to supermarket investment, and zoning and planning issues that inhibit/promote supermarket development.
 - c) Assisting developers and communities with locating the right contacts within state and federal government and linking technical expertise within relevant state departments.
 - d) Providing technical assistance to convenience store owners/operators in underserved areas seeking to include more locally grown produce and products.
- 2) DLEG should assist developers and communities with land acquisition through the Land Bank Fast Track Authority given the innovative opportunities it could provide grocery initiatives in gaining clear title to tax reverted land parcels.
- 3) The state should optimize existing funding sources that may or may not currently allow for retail grocery projects and create new funding sources when necessary. Funding sources to be reviewed and/or considered include:
 - a) A new funding pool for communities/retailers to renovate and maintain existing urban facilities.
 - b) Brownfield Redevelopment Act funds and other brownfield funding sources primarily available through MEDC and DEQ.
 - c) MEDC's Urban Land Assembly Fund.
 - d) Federal funds available from the New Markets Tax Credit program administered by the Michigan State Housing Development Authority (MSHDA) and MEDC in Michigan.
 - e) Local Initiatives Support Corporation — <http://www.lisc.org/detroit/>.
 - f) Urban Renaissance Zones tax benefits for grocery stores developed in the zones.
- 4) DLEG and other relevant agencies should:
 - a) Establish priority for any communities that support improved access to fresh and healthy foods, especially for underserved locations when distributing Michigan's Cool Cities and other state-funded grants.
- 5) DHS, given adequate appropriation from the legislature, should work to issue food stamp benefits across the calendar month and coordinate efforts with food stamp program administrators and recipients in order to ensure that recipients' needs and concerns are incorporated and addressed. DHS should report on its findings by October 1, 2007.

Direct Benefits

[illegible]